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*Florence P. Belser
General Counsel*

November 21, 2018

VIA ELECTRONIC FILING

The Honorable Jocelyn G. Boyd
Chief Clerk & Administrator
Public Service Commission of South Carolina
101 Executive Center Drive, Suite 100
Columbia, South Carolina 29210

RE: Application of Carolina Water Service, Inc. for Approval of Annual Rate Adjustment
Mechanisms and Petition for Accounting Order
Docket No. 2018-358-WS

Dear Ms. Boyd:

On November 14, 2018, Carolina Water Service, Inc. ("CWS") filed an application seeking approval of annual rate adjustment mechanisms for purchased water and wastewater treatment expense and for authority to defer its purchased water and wastewater treatment expenses until the expenses are reflected in rates. CWS also requests that the Commission allow this proposal to be put into effect without notice or hearing under S.C. Code Ann. § 58-5-240(G). As reasoning for the application, CWS states it is seeking approval of the annual rate adjustment mechanism to capture changes in expenses resulting from changes in rates imposed by its wholesale purchased water and wastewater treatment providers.

The South Carolina Office of Regulatory Staff ("ORS") respectfully requests that notice to customers be provided of CWS's request and that a hearing be scheduled on this application. The requested annual rate adjustment mechanisms would impact the commodity rates of those customers on systems receiving water through purchased water agreements with third party bulk suppliers and those customers on systems where wastewater is treated pursuant to purchased wholesale wastewater treatment services with regional sewer providers. As the proposed annual

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rate adjustment mechanisms would impact the rates charged to present customers, ORS believes the customers affected by this proposal deserve to be noticed of the requested change. Further, a hearing will provide for full examination of CWS's request.

Please feel free to contact me if there are any questions.

Sincerely,



Florence P. Belser

FPB/vlw

cc: All Parties of Record (via E-mail)
Joseph Melchers, Esquire (via E-mail)